

BUSINESS REVIEW

MALAYSIA

“With a committed occupancy rate of 98.3% as at 31 December 2010 and a year-on-year increase in footfall of 18.5%, our Malaysian shopping malls performed well in 2010.”



Queensbay Mall, Penang

In 2010 we injected our Malaysian retail assets, namely Gurney Plaza in Penang, an interest in Sungei Wang Plaza in Kuala Lumpur and The Mines in Selangor, into CapitaMalls Malaysia Trust (CMMT).

CMMT, Malaysia's largest "pure-play" shopping mall REIT, was listed on the Main Market of Bursa Securities on 16 July 2010. We have an effective 41.74% interest in CMMT and a 70.00% shareholding in CMMT's manager, CapitaMalls Malaysia REIT Management Sdn. Bhd. The listing of CMMT has also provided direct access to both domestic and international investors, which has enhanced CMMT's financial capacity to seize acquisition opportunities in the fragmented shopping mall sector in Malaysia.

With a committed occupancy rate of 98.3% as at 31 December 2010 and a year-on-year increase in footfall of 18.5%, our Malaysian shopping malls performed well in 2010.

On 12 November 2010, CMMT, through its trustee, exercised the right of first refusal granted by CMA in relation to the extension block to Gurney Plaza (Gurney Plaza Extension) and entered into a sale and purchase agreement to acquire this property for a purchase consideration of RM215.0 million. The said acquisition is subject to, among other things, CMMT's unitholders' approval and the completion of a placement of new units in CMMT.

On 22 December 2010, we entered into an agreement to acquire approximately 90.7% of the retail strata area (approximately 916,181 sq ft) and all car park spaces within Penang's Queensbay Mall for a purchase consideration of approximately RM651.8 million, subject to all relevant regulatory approvals having been obtained. The acquisition substantially strengthens CMA's market leadership in the state of Penang. Queensbay Mall will be the seed asset for CapitaMalls Asia's planned RM1.0 billion Malaysian retail property development fund, which is expected to be launched in 2011.

Total number of retail properties¹

4

Total GFA (sq ft)¹

4.0 million

Total NLA (sq ft)¹

2.9 million

Total property value
(100% basis)¹

S\$0.9 billion

NPI yield²

6.4%

Occupancy rate²

98.3%

1. Includes Gurney Plaza Extension, which is considered part of Gurney Plaza, and Queensbay Mall, which is to be acquired by CMA or its subsidiaries (including via an asset-backed securitisation structure). The GFA and NLA for Gurney Plaza Extension and Queensbay Mall is as per the relevant press releases/announcements for each property.

2. Excludes Queensbay Mall and Gurney Plaza Extension.